REPORT OF INSPECTION

(Part I Sec A)

ON THE

FINANCES

OF THE

MYSORE CITY IMPROVEMENT TRUST BOARD

by

Mr B S RAGHAVENDRA RAO, M A (Hon.)

Assistant Comptroller

and

Mr S GOVINDA RAO, (Superintendent)

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R E P O R T on the Inspection of Accounts of the Mysore City Improvement Trust Board.

Date of commencement - 24th July 1924

Date of completion - 23rd October 1924.

No. of working days - 65

PRELIMINARY.- 1. In accordance with Government Order No. L.9924-5/M1.117-23-24 dated 28th June 1924 appointing me as Special Audit Officer to examine the Accounts and Registers of the City Improvement Trust Board, I have the honor to submit herewith my report dealing concisely with the various points referred to me.

TERMS OF REFERENCE. 2. My terms of reference were

(a) To examine the accounts and registers of the Trust Board and to remedy the several defects noticed

(b) to prescribe necessary and suitable forms and returns

(c) to examine the constitution and working of the City Improvement Trust Board Regulation and notice the defects of the existing law if any, and

(d) to examine the necessity for the existing establishment and suggest retrenchments

3. In order to enable me to have a thorough insight into the working of the Board I audited six months' Accounts, the period selected being from 1st July 1923 to 1st January 1924. Owing to the limited amount of time at my disposal and its doubtful utility the previous accounts were not audited.

Arrangement of the Report

4. For purposes of convenience I have divided my report into two parts. Part I deals with the major points noticed during the audit. Part I itself has been sub-divided into two Sections A & B.

In Section 'A' the main points re the existing state of the works including Acquisitions and proposals for improving the same have been discussed. The finances of the Trust Board have been examined in detail and proposals formulated for improving the resources of the Trust Board. The existing defects in the working of the Mysore City Improvement Regulation have been pointed out and remedies suggested.

Section 'B' deals with the important Registers to be maintained in the Trust Board. It also deals with some of the major irregularities noticed during the inspection.

Part II deals only with the minor irregularities observed during the detailed audit of six months' accounts. This will mostly have to be disposed of by the Comptroller's Office and the Trust Board.

CHAIRMAN FURNISHED WITH COPIES OF REPORTS.

5. The Chairman, City Improvement Trust Boar has been furnished from time to time with memos of inspection as each item of work was completed. He has been requested to consolidate and furnish his replies to the memos finally on receipt of this report.

Retrospect

6. Retrospect.- Since 1881 the amelioration of the condition of the people and improving the sanitation of the City has been receiving the foremost attention of Government, a Special Sanitary Division having been established by Sir K. SESHADRI IYER for effecting these improvements. The ravages of Plague and the alarming death rate however made it apparent that the improvements and sanitation necessarily to be effected in the City to cope with this dire disease could not be undertaken or executed by the Municipality with its slender resources and Government in their Proceedings dated 18th September 1902 appointed a Special Committee of twelve gentlemen to study the matter in all its various aspects both Scientific

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and Practical and submit a detailed account of their proposals with as accurate an estimate of cost as they could. On the submission of their report this Committee was replaced by the City Improvement Trust Board.

The City Improvement Trust Board was constituted by Government in their Proceedings dated 4th January 1904 under the provisions of a Special Regulation - The City of Mysore Improvement Regulation No.III of 1903. The reasons that led to the creation of a special agency is thus stated by Government in the statement of objects and reasons published with their order dated 10th November 1903. "x x x It is essential to enlist so far as may be the sympathy of those immediately concerned and the public generally and this would scarcely be achieved by a purely official agency. At the same time efficient management and prompt executive action are essential and it seems imperative therefore to appoint a special agency with a special staff at liberty to devote its entire energies to the task presented." The Board now consists of nine Trustees viz , the Chairman, the Vice President of the Municipal Council, the Health Officer, the Senior Surgeon, three Trustees nominated by Government and two trustees elected by the City Municipal Council from among its Councillors. The Chairman is the Chief Executive Officer of the Board and is in practice the real master of the whole business.

constitution of the Board

7. For the first few years the Board confined itself to the working out of the improvements formulated by the Improvement Committee, the City having been divided into five drainage areas for facility of working over the various drainage and Sanitation Schemes. In 1910 the Chief Engineer condemned

the

the existing combined system of drainage and as per his advice Government in 1912 ordered the introduction and conversion of the combined system into the Separate System. In 1914 the Board's sphere of activities was enlarged and the Board tackled with works of public utility and the aesthetic improvements of the City, the Government grant also being simultaneously raised. The Boards activities now include the items noted below:-

1. Acquisition of Properties
2. Construction Works
   (1) Extensions
   (2) Drainage and sewage works
   (3) Works of Public Convenience and attractions.
   (4) Special Works
   (5) Miscellaneous
   (6) Productive Works.

In December 1919 Government passed a comprehensive order reviewing the work done so far by the Trust Board. In concluding Government observed that although the Trust Board have been carrying on their operations for over 15 years and incurred an expenditure of over 52 lakhs it cannot be said that the Sanitary condition is all that may be desired. The sewage and drainage works are not yet complete and sufficient attention has not been paid to House Connections and flushing tanks. The question of maintaining the completed works in efficient condition and preventing them from falling into disrepair awaits solution. Re. housing the poor the progress made so far judged from the number of houses built is not commensurate with the needs of the City. They also observed that sufficient attention was not being paid to the Collection of Revenues and the Audit of the Accounts of the Trust Board. The Board was requested to remedy the defects noticed above. In spite of the above order no appreciable progress has however been

been made either in respect of extending the drainage solving the question of maintenance of these works or housing the poor these five years.

8. Owing to a policy of retrenchments and with a view to balance the State Budget, Government in 1922 had to cut down the State Grant to one lakh in their Order of April 1922. But this was not actually adhered to as Government had to give additional grants each of the succeeding years on account of the commitments of the Trust Board and the persistent demands of the Chairman for additional funds. As a matter of fact it was the surprises that were being sprung upon Government in each such demand for additional grant and the persistent disregard of instructions issued from time to time by Government about adhering to a carefully worked out programme and not contract commitments which they could not discharge that forced the Government to order the present investigation into the Finances of the Trust Board, their Assets and their Liabilities, their commitments in respect of expenditure on incomplete works, progress of acquisition &c to enable Government to understand the situation clearly and to issue instructions to the Board so as to regulate their expenditure and do not permit of their upsetting all Budget programme and calculation while at the same time augmenting the resources of the Trust Board to carry on towards completion the various importante works calculated to improve the sanitation drainage and the aesthetic beauty of Mysore undertaken by the Trust Board.

R E P O R T.

9. Condition of the Registers &c.-
One of the main functions of the Trust Board being the Sanitary Improvements of the City and Construction of buildings and the accounts of this office were modelled on those maintained in a Public Works Division. But although the Public Works system underwent considerable changes under Mr. Datta the Trust Board continued and continue to maintain their accounts mainly in that old system alone and even under that system they are not keeping either all the registers or even maintaining such of the registers kept, correctly.

Statement "A" shows briefly the registers kept in the office how far they have been posted and who has been checking the postings.

10. I have also noted the corresponding forms and registers that are to be maintained as per the existing rules in the Divisional Offices. I do not want to dilate here upon the merits or the demerits of Mr. Datta's system or its advantages and disadvantages as compared to the old system. But my only contention is that in a small State like ours it is inadvisable from many points of view to have two different systems of accounting obtaining in different offices for the same kind of work. The reasons are obvious. I have therefore suggested in Column '5' the new registers to be opened in this office according to Mr Datta's notes modified by later order and necessities in this division I have also added to this list such registers as are to be kept in addition to the above in this office to meet its peculiar demands. As far as possible I have assisted the office in opening these new

registers

registers but much has not yet been done in this direction and early action should therefore be insisted upon. A brief survey of the condition of these registers is given at the end of this report.

11. WORKS & ACQUISITION.-

The registers relating to the expenditure on works and acquisition are in very great confusion and cannot be relied upon as authoritative documents. None of the entries in the registers have been verified and no attention has been paid to the correct classification and allocation of charges. Sometimes charges are X intentionally misdebited to avoid audit objections. The 'C' Registers are not correctly posted. No officer has checked the entries in this, the most important register of a Public Works disburser. Entries are not made regularly, the entries for two or three months being clubbed together and posted whenever perhaps the accountant ~~finds~~ found leisure. Sub heads are mixed up and unsanctioned Sub heads freely opened. Excesses under sub heads are not zealously watched and timely action taken ~~up~~ to investigate the reasons for the excesses and where necessary sanction of competent authority obtained. The details of the irregularities observed are noted in Part II workwar. A statement is also ~~given there~~ enclosed showing the excesses under sub heads and unsanctioned sub heads in each work.

LIST OF WORKS. 12. A list of works executed by the Trust Board ever since its inception is enclosed herein. These lists have been prepared very carefully after considerable trouble with a view to making them quite accurate. The various 'C' registers, schedules of expenditure and Registers of sanctions have been consulted but owing to the very imperfect manner in which these registers have been maintained I cannot say that the

list

list is exhaustive and I still feel diffident about its being quite correct though for all practical purposes it may be taken as correct.

13. There is no proper register of sanctioned estimates maintained in the Office. Two or three registers are maintained each one of which is incomplete since there are a number of estimates sanctioned but not noted in the register. When supplemental estimates are sanctioned, references to the original estimate are not given and as such it is difficult to make out whether a particular estimate is original or supplemental unless one sees the correspondence file and other records. The records themselves are in confusion, it being quite difficult to lay hands or any paper that is required. When revised estimates are sanctioned, the cancellation of the original estimate is not noted and no reference is given to the original estimate. References to the Government order re the source of expenditure have not been noted for instance in the case of the Municipal Office building, how much is to be met by the Trust Board and how much by the Municipality is not noted. The registers have not been reviewed by any Gazetted Officer with the result that they are quite incomplete and out of date. There is no classification attempted with regard to the works executed. Estimates for acquisition. Construction &c are mixed up. Each scheme should be self contained or in other words the estimate for each project should show clearly the amounts provided for acquisition, demolition, construction, water supply etc, and each of these should have clearly details noted so that there may be no difficulty in posting the subheads of estimates in the C Registers and the outlay incurred booked under them.

13. (a) An attempt should also be made to group the works into remunerative and non-remunerative works. At present small improvements are placed on the same category as large development works. Leaving out of consideration the "Productive Works" which are being financed and worked by the Municipality out of the loan of 2 lakhs sanctioned by Government, there should be other works of a Revenue yielding character and for these at least it is desirable to maintain separate Capital and Revenue Accounts.

CLASSIFICATION of CHARGES.

14. The following broad classification of the works undertaken by the Board is suggested for adoption. All work estimates passed by the Board should be classified under one or other of these heads and each such estimate should give in detail the various sub-heads under which the charges may be compiled. The sub-heads should be so framed as to suit both statistical and technical purposes. Every estimate should of course be supported by detailed plans etc.

I. Acquisition-

(a) Acquisition of properties
(b) Demolition of properties.

II. Construction-

(1) Laying out extensions
(2) Drainage and Sewage works.
(3) Water supply.
(4) Lighting.
(5) Works of public convenience & attractions.
(6) Miscellaneous such as planting avenues &c.

III. Repairs and maintenance works of completed works not handed over to the Municipality.

IV. Tools and Plant-

(1) Surveying and mathematical instruments.
(2) Machinery.
(3) Tools and Plant.
(4) Camp equipage
(5) Office furniture.
(6) Repairs and carriage.

V. Deposit contribution works.

maintained one for works sanctioned by the Board and one for works sanctioned by Government both giving detailed information re date of sanction, amount of estimate, Source &c; Unsanctioned works should not be undertaken and if undertaken a separate register of such works may be maintained showing the subsequent dates of sanction by the Board and Government and also briefly indicating in each case the necessity for the same. All these registers should be reviewed monthly by the Engineer Officer.

At present there is no order in the filing of plans and estimates. All estimates with plans etc. should be filed separately in the Drawing branch and not mixed up and filed with correspondence files in the Records. They should be sent to Records only when the works are completed and completion report sent. For facility of easy handling, the estimates may be given the same serial number as in the register of estimates passed by the Trust Board and an index of all the estimates kept in the Drawing Branch, the estimates themselves being arranged in serial order. Copies of sanctioned original estimates should be furnished to the Sub-Overseer for guidance in carrying out the works. Detailed working estimates should also be got sanctioned for all lumpsum amounts shown in the estimates as without these no control can be exercised over this expenditure The Accountant and the Executive Engineer should review and initial the sanctioned estimates registers in token of his having verified that all the estimates sanctioned during the month are duly noted in the register and are duly entered in the schedule of expenditure and the "O" registers.

recent it is observed that some works executed for no detailed plans or abs are available

16. Re the works executed by the Trust Board two statements are enclosed one of works in progress and another of those which are stated to have been closed. In the case of works in progress the date of last outlay has also been noted.

While preparing these lists the following irregularities were observed.

(1) The 'C' registers have not been posted correctly for years together and were therefore found to be hopelessly unreliable for purposes of compilation.

(2) Works are undertaken without reference to estimates and in some cases works not included in the main estimate are all the same charged to that estimate.

(3) Fresh estimates are got prepared and sanctioned for certain items and included in the original sanctioned estimates and the fresh estimate so sanctioned is worked out and booked without reference to the original estimate already sanctioned. In some cases part of the outlay is charged to the estimate newly sanctioned and part to the old one. Hence the balance of estimates remaining unworked is no safe guide at all for determining the liability of the Trust Board in respect of works undertaken and in progress.

Again maintenance and repair estimates are sometimes charged to original estimates themselves In several other cases separate maintenance estimates are prepared and sanctioned The charging of maintenance and repair estimates to Trust Board appears to irregular as under the Regulation several classes of completed works are to be handed over to the Municipality who should maintain them The Trust Board does not appear to have been handing over to the Municipality such works which they have completed.

(4) Completion Reports have not been sent in the case of a number of works which are stated to have been completed. The estimates have been still kept open adding to the confusion already existing. Action may therefore be taken on the lines indicated in Government Order No.P.W.1225-87 dated 29th May 1924 issuing instructions re unoperated works. The list of works in progress has to be scrutinised by the Board and classified as under-

(a) Works closed for which ~~C.R.~~ completion Report has been sent (the date of sending the C.R. may be noted).

(b) Works closed or which may be treated as closed for which C.R. has not been sent Action may kindly be taken to close these works and send the relative completion report early.

(c) In the case of the other works there are some works sanctioned which have not been operated upon for years A list of such works is appended. But in some of the cases included in this statement I think it is not the works that are not operated upon but perhaps the expenditure has been booked under some other more commodious estimate. It is therefore necessary to find out by personal inspection how many of these works are really not operated upon and how many though operated upon have been debited to other estimates. Those not operated upon may be struck off the list. If their execution is considered necessary fresh estimates may be prepared and sanction obtained as the present estimates are very old and would not represent the liabilities correctly.

(d) There are other estimates which are running from a long period and on which very little expenditure is being incurred as is seen from the appropriation registers. These may be scrutinised with a view to see how many of them may be closed Such of those as require very little further expenditure for close may perhaps be taken up and closed early.

COMPLETION OF DRAINAGE WORKS.

18. Re the drainage works there are large unspent allotments under each of the five drainage areas. The estimates for these are also very old. No expenditure on the work proper has been incurred since 1918. The expenditure that is being incurred now is mainly giving House connections and repairs to existing drains, and temporary establishment charges. As seen from the work notes in Part II the original estimates are being largely exceeded under each item of work. What with this misdebits intentional or otherwise and the fact that the estimates were prepared years ago the un-worked balance of estimates do not represent the amount required for completion of the work and the estimates require revision. The Trust Board should therefore take stock of what has been done already and what further expenditure is required to complete the works. If it is decided that the Trust Board cannot find money to complete these drainage works it is perhaps as well to face the facts and undertake measures to close the estimate and the works and hand over the portion completed to the Municipality for maintenance. Unless as elsewhere proposed the cess is levied on house connections and the proceeds of the same are utilised by the Trust Board.

REMEDIES SUGGESTED LOSING THE OLD estimates at WHATEVER STAGE THEY ARE AND PREPARING ESTIMATES A FRESH FOR THE BALANCE OF WORK TO BE DONE.

19. In any case it is perhaps desirable to close all the existing works altogether taking Stock of what has already been done. This proposal is made with a view to put an end to all the existing confusion in work accounts and the irregularities it leads to. For instance there would then be no opportunity to charge a repair estimates or transfer charges relating to some work not contemplated in the estimate to a big and commodious estimate. There would then be lesser changes of there being more than one estimate simultaneously in operation for works in one and the same area.

The continuance of the present estimates are also undesirable as the 'C' registers are in such a hopeless condition that the booked expenditure as noted in the above register would not probably represent the actual progress of work. Further the balance of unworked estimates as per statement enclosed comes upto 4.8 lakhs and the number of works in the various stages of completion is 262 This number and this balance are themselves staggering and if in addition to this it is remembered that the correct Balance required to complete the works would easily be at least 50% more and the number of works on hand are being increased year by year fresh works being undertaken without regard to the completion of old ones, availability of funds and the sanctioned programme, the imperative necessity for closing all the existing works and beginning with a clean sheet is obvious. This would at least enable Government to insist on the maintenance of correct accounts and well ordered expenditure in future. The Executive Engineer now working in the Trust Board is well acquainted with the progress of all the works. He may perhaps be detailed for the work of closing all the existing estimates and preparing fresh estimates in respect of the Balance of work to be done in each case for approval of the Board and sanction of Government This would also give the Trust Board an opportunity to once again scrutinise the works, postpone those which may lie over and abandon on those which may safely be given up I have discussed this question of the advantages of closing the existing estimates both with the present Chairman and the Comptroller and both are agreeable to my proposals.

With a view to enable me to report on the finances of the Board and what funds are necessary for the Board to carry on to completion the works in progress and those which the Board considered "Urgent", the

Chairman

Chairman was requested to give me a programme of works to be undertaken in the immediate future eapecially as Mr. Srikantesvara Iyer, the previous Chairman, had put up a very extensive programme in the various forecasts he had sent up to Government. The Chairman said that the future programme of the Board could only be decided after they decide what to do with the various works on hand and so I have not taken into account in my report the question of financing those works which are still in the womb of the future.

21. Next in importance to the expenditure on works comes that on 'Acquisition' one of the main functions of the 'Trust Board' in fact the function before 1912, was the acquisition of properties in the slums of the City and providing facilities for housing the dispossessed owners by laying out extensions, giving loans for the construction of houses, building model houses &c. The programme of acquisition now being followed is practically the same as the one decided upon years ago As a matter of fact awards passed years ago still remain unpaid.

CONDITION OF AWARD STATEments.

22. On calling for a statement of awards passed but not paid the statement prepared and submitted to Government with letter No.92 dated the 18th June 1923 was given to me No check can be exercised over the accuracy of this statement as the compensation register itself was not being posted correctly and simultaneous entries were not being made in the compensation registers immediately the awards were passed. The balance of awards remaining unpaid is also not being carried forward year by year with the result that it is not possible to check the balance of awards remaining unpaid at any time and the commitments on this account at any particular time.

23. In the same order of Government No L 7797/M1. 201-22-9 dated the 31st May 1924 in which this statement

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was called for Government also called for a statement of properties declared for acquisition and in which no further proceedings has been taken. Such a list has also been prepared and sent with letter No. dated As stated by the Chairman in this letter a Sub-Committee consisting of the marginally noted Trustees has been appointed to go into the question of the necessity or

1. Chairman.
2. Mr. Mahomed Sait
3. Mr. T. Basavaraja Urs, and
4. Mr. K. Dhanakoti Chetty.

) otherwise of acquiring the properties included in this list notified for acquisition and remaining unacquired. The accuracy of this list also cannot be verified as there is no register 'Schemewar' of 'Blockwar' maintained showing the properties noted for acquisition from time to time and for watching the progress of acquisition.

24. Regarding the properties actually acquired

TO Properties do not appear to be acquired according to any definite programme of works for the year. (A programme is however being drawn up now for the current year). The acquisition of any particular property appears to depend mainly on the Chairman and in cases of mutual agreement upon the willingness of the party to convert his property to cash. Just as in the case of 'Works' in the case of acquisitions also there are large balances of unworked estimates. The annual expenditure on these estimates does not appear to be based on any carefully worked out programme The Budget Programme of the Board is very often not adhered to.

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25. On the whole the acquisition work of the Trust Board appears to be proceeding on most unfinancial lines since the amounts invested on acquisition in a number of ~~kmy~~ cases neither yield any cash return to the Board nor do they result in any substantial convenience to the people or lend attraction to the City as properties are not acq with a view to put any particular programme into execut

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in the near future. Numbers of other properties are often to be acquired before particular schemes for which the acquisitions are being made could be executed. So the money spent is for all practical purposes locked up.

ES OF MUTUAL AGREEMENT.

26. Several cases have also been observed wherein properties have been acquired by mutual agreement even though they do not form a part of any sanctioned scheme. The acquisition of such properties appears to be ultravires as it is in contravention to the provision of Section 22 of the Trust Board Regulation. Most of these cases have also not been placed before the Board, the acquisition proceedings having been conducted by the Chairman himself under Section 10 of the Trust Board Regulation. How the Chairman could acquire any property by mutual agreement on behalf of the Board in respect of work or scheme which had not been approved by the Board is not clear to me. It was suggested that under Section 18 (2) the Board had power to alter any sanctioned scheme when the cost of executing the scheme as altered does not exceed Rs.2,500/- and as there was some improvement Scheme or other for all the five Drainage areas into which the City was divided, I could take it that acquisitions by mutual agreement not contemplated or sanctioned by the Board could be considered as alterations coming under Section 18 (2) and that when the cost was below Rs.1,000 the Chairman was competent to acquire these. I am afraid this cannot be taken as sufficient sanction for the Chairman acquiring properties by mutual agreement when the property is not included in any sanctioned Scheme or does not form part of an altered Scheme under Section 18 (2) or the expenditure incurred does not come under Section 32. (Emergency Expenditure). Such a procedure by the Chairman is bound to throw the finances of the Board out of gear as it would make the Chairman create 'Commitments' for additional expenditure on items not contemplated when perhaps there were other and more urgent works requiring

Funds.

With a view therefore to regularise the expenditure on acquisition by mutual agreement it appears to be desirable to restrict the powers of the Chairman in respect of acquisition of property by mutual agreement only to cases where the acquisition is part of a sanctioned Scheme or part of an amendment thereof duly passed by the Board under Section 18.

(2) c. There are at present 17 sanctioned acquisition Schemes costing 43,56,000 for improvements of the different parts of the City and the amount spent up to date is Rs.23,41,000 the balance remaining unspent being about 20 lakhs. Most of these schemes were sanctioned years ago, and the same old estimates still run - the properties being acquired on the strength of the notifications issued when these schemes were sanctioned. There has been constant agitation in the City against the system followed by the Board under which years go by and still properties notified for acquisition remain unacquired and the owners of such properties are always under the constant apprehension of the impending acquisition. Last year there was also a resolution proposed to be moved in the Legislative Council "That with a view to remove the great hardship and loss caused to the owners of private properties which have been declared for acquisition for improving the City of Mysore, by the inordinate delay in passing awards, this Council recommends that the Government of His Highness the Maharaja of Mysore be pleased to order the cancellation of all such declarations as have been made at least prior to the 1st of July 1921 in respect of which no awards have been passed to date." Government after some correspondences to which I shall allude later, regretted their inability to withdraw from such wholesale acquisition, and the Dewan in his closing speech on this subject agreed to accept the above resolution only if modified as under 'That with a view to remove the great hardship and loss caused to the owners of private

properties

properties which have been declared for acquisition for improving the City of Mysore by the inordinate delay in passing awards, this Council recommends that the Government of His Highness the Maharaja of Mysore be pleased to order 'the early disposal of pending cases and the payment of compensation or in the alternative withdraw from such acquisitions in respect of which there is no possibility of disposal.' The Dewan also stated 'I have given personally necessary instructions to complete all proceedings and to pay compensation in respect of old cases which are of urgent nature and also to settle a definite programme for the next two or three years with due regard to the money that will be available from the Government contribution so that other cases may once for all be postponed as being beyond the reach of practical politics'.

27. In spite of the above injunctions no serious attempts appear to have been made to liquidate all liabilities in respect of awards passed including cases where possession has been taken. In some of the cases no further action appears to have been taken at all after the awards werepassed.

COMPLETION OF PRESENT PROGRAMME IMPOSSIBLE WITH LIMITED FUNDS.

28. As things stand at present it is not possible for the Board to complete their present programme of Acquisition in the near future at all. With the Government grant limited to Rs.1,50,000 I think the Board could not afford to pay more than 50,000 per annum for acquisition and at this rate assuming that the Board do not embark on any further scheme which is a very large assumption indeed it would take not three years but twenty years more for the Board to complete the present programme. Is the existing confusion to continue for twenty years more and are parties whose properties have been declared for acquisition to wait for another twenty years?

WITHDRAWAL FROM ALL NOTIFIED ACQUISITIONS suggested

29. Mr. Srikantesvara Aiyar in his reply to Government on the resolution of Mr. Abbas Khan regarding withdrawing

withdrawing from all acquisitions notified prior to 1921, states in his No.61 dated the 28th February 1924. 'The acquisition of these 1,677 properties cannot be withdrawn but have to be gradually acquired as funds become available for without this acquisition neither conservancy nor drainage facilities nor the necessary amenities of the Capital can be completed. In many places the newly formed conservancy lanes end blindly nor have they been completely opened out, and till the intervening buildings are acquired and slums removed as per schemes originally formulated congestion will not have been removed or even abated, nor conservancy facilities provided or through connections of sewage establishment which are now disjointed and overflowing rendering such localities more insanitary and worse than before x x x. Without the acquisition of such remaining properties the City cannot be rendered sanitary, after all the endeavours made these four decades. It was on this, that the Sub Committee referred to in para 23 above was appointed to go round the City with a list of properties notified but not acquired and determine what properties could be withdrawn from acquisition. It is now nearly six months since the Committee was appointed and I understand that they met only once and not much has been done At this rate the assurance given by the Dewan "that other cases may once for all be postponed as beyond the reach of practical politics' would practically be a dead letter.

30 I venture to suggest that the terms of reference to this Committee may perhaps be slightly altered in view of present inspection ~~involving~~ of over 1,500 properties necessarily taking much time. They may instead of going through the list of properties remaining unacquired perh[illegible] study with reference to spot conditions and Block plans only those cases wherein some progress has already been made and money spent, with a view to completing these s[illegible]

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The other improvements which have not been taken up may be deferred and the acquisitions in these cases withdrawn for the present. The easier and better solution however seems to be to withdraw from all the acquisitions cases in which no further proceedings have been taken after the notifications were issued. There are very many advantages in this procedure which far outweigh the disadvantages if any at all. At present the expenditure on acqisition is ill-distributed and aimless In addition to this the acquisition records in this office, I must say, are in great confusion. No Scheme Register has been maintained. No one can say from the registers in the office - which ought to reflect the condition of affairs in the field - at what stage the various schemes are and what properties are yet to be acquired to complete them, and what such acquisition would cost. The compensation registers till now were not correctly maintained, and the Trust Property Register not being written up at all. The sanctioned estimates themselves overlap hopelessly. Each working estimate consists of numbers of other estimates sanctioned from time to time clubbed together into a very large and unwieldy one, e.g. The acquisition estimate for Mandy and Laskhar Mohallas consists of 23 different minor estimates. Krishnaraja Mohalla Part I consists of 13 estimates and so on Even the working areas overlap. The disadvantages of having such confusive estimates are obvious and the advantage of starting afresh equally patent

31. Audit would welcome it because the terrible amount of confusion and overlapping in the estimates against which expenditure is being booked at present would cease. When the estimates are for smaller amounts and the working areas comprised are also small more efficient audit is possible. Opportunity for wrong and misdebits would also be less.

32. The executive of the Board and the Board itself should welcome it because with fresh estimates, and correctly posted and up-to-date Scheme registers, Compensation registers and Trust Property registers they would know exactly where and how they stand. In future at least detailed programmmes of acquisition could be drawn up with reference (i) to availability of funds, (ii) urgency and importance of the work and (iii) maximum return to the Board.

33. I have no doubt the people of Mysore would welcome such a thing, and largely appreciate it also, since the present uncertainty of house owners whose properties were notified for acquisition long ago and still remain unacquired would cease and with it the consequent petty tyrannies and vexations. They could also then have a voice in the improvements proposed in future since with the growing knowledge of their own civic rights the privileges conferred in Section 16 (2) of the Trust Board Regulation under which persons affected by acquisition schemes could make their representations would certainly be fully utilised by them. I may incidentally mention that in none of the cases I went through the notice issued under this section was available in the file nor/ the replies received from the parties as contemplated in the above section

34. I discussed this question of wholesale withdrawal at some length with Mr Mylar Rao who while generally agreeing with me told me that it was disadvantageous to the Board to withdraw from these acquisitions as under Section 23 of the Land Acquisition Regulation they had the right to acquire these lands at the market values prevalent at the time the property was declared for acquisition The legal position of the Chairman I admit is correct But in practice the market value of the property at the time it was notified for acquisition has not been taken to accou at all by the awarding officers in fixing the compensat

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As a matter of fact in none of the records I have gone through has even a Note been made of the value of the property at the time it was notified even though registers have been maintained in this office showing the values of properties at the time they were notified for acquisition. As such I am afraid I cannot agree with the Chairman that the Board can insist on their pound of flesh and pay at the rates prevalent when the property was notified.

35. I would perhaps use the very argument used by the previous Chairman in his various replies to Government explaining the delays in acquisition proceedings as a reason why the Board cannot take shelter under Section 23 of the Land Acquisition Regulation and award with any conscience the market values as on the dates of notification. The Chairman in his letter No. dated states "Thus in the Mysore City where under a special Improvement Trust Board Regulations extensive acquisition work involving several lakhs of rupees etc, it is not possible to complete the acquisition proceedings within six months from the date of declaration although such limitations be made applicable to usual acquisition cases conducted under ordinary Land Acquisition Regulation'

Again (letter No.75)"x x x the acquisition work in this City is therefore not conductable on routine lines and cases disposed of then and there x x x"

I would suggest that If the ordinary acquisition rules cannot apply with respect to the time limit between the date of declaration and the date of acquisition they cannot also be held to apply to the "Market Value" at the date of declaration. It is of course obvious that in fairness and equity when a property was declared for acquisition in 1904 or 1905 we cannot in 1924 or even later ask the party to take the market value on that date plus 15 per cent.

to the date of declaration

36. The Bombay City Improvement Regulation on which we have closely followed gives the right to the owner of land

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O date of for fixing Market Value

land to demand acquisition or withdrawal within one year from the date of the Notification Vide Section 27 B and in the case of deferred street Schemes under Section 49 (2) the market value is to be the Market value on the date of the Notice given to the owner six months before actually acquiring the property and not the Market value on the date of Notification. A suitable provision may perhaps be made in our Regulation also providing for parties requesting the Board to withdraw from acquisitions unless they acquire within a certain period

37. The question of market value therefore need not deter us from withdrawing whole sale from the acquisitions pending now in which awards have not been passed or possession not taken. The cases where awards have been passed but possession is not taken may again be scrutinised with a view to see if the acquisitions are really necessary The present estimates may therefore be closed with advantage to all concerned and fresh estimates prepared according to revised programme and further action taken.

38. The following registers may be opened in future to record the acquisition transactions of the Board -

SCHEME REGISTER.- In this register all schemes sanctioned by Government will be noted chronologically with the following particulars duly filled up as the scheme progresses -

1. Scheme for
2. Reference to Gazette Notification.
3. Owner of property.
4. Address.
5. Description of property as notified.
6. Details of property as acquired.
7. Date of award.
8. Date of payment
9. Date of taking possession.
10. Claims.
11. Remarks.

Such a register will enable the Board to note at any time the progress of acquisition with respect to each particular scheme and attention will be focussed on properties declared and not acquired and this would enable

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the Board to take early action in respect of such cases. Each scheme should be supported of course by detailed plans in which disposals may also be noted from time to time.

COMPENSATION REGISTER.

39. THE COMPENSATION REGISTER.- The present register may be continued but postings should be made simultaneously with the passing of awards and this should be checked and initialled preferably by a Gazetted Officer. Whenever payments are made the paying officer should attest the fact of payment in the Compensation Register. An additional column for noting the estimated value of the property may with advantage be opened. At the beginning of each year awards passed in the previous year and remaining unpaid should be brought forward the necessary references to the previous registers being given. This balance should be agreed with the balance in the Plus and Minus Memo of awards sent to Comptroller. The Comptroller wants that this balance should be supported by a detailed statement noting the individual cases and this could easily be prepared from the above register. At the end of every month an abstract should be prepared as under in the Compensation register and agreed with the figures in the monthly statement of awards sent to Comptroller.

Opening balance of awards remaining unpaid Rs.
Add awards passed during the month Rs.
Deduct the amount of awards paid Rs.
Balance . . . . Rs.

AIMS REGISTER.

40. CLAIMS REGISTER.- Two registers are also being maintained in the Acquisition Section viz., the claims Register and the Index Book. The postings in these books are not upto date. With the maintenance of a Scheme register proposed in para B above the Index book may be dispensed with as note of all claims coming under Section 9 of the Land Acquisition Regul tion may first be noted in a chronological order in the claims book and then carried

over

over to the proper column in the 'Scheme Register' reference being given in the claim register as and when they are made When acquisitions are made according to Programme and after taking into account the availability of funds there should be very few pending cases and therefore very few entries to carry forward month by month and year by year.

REGISTER RELATING TO ACQUISITIONS.

41. "C" REGISTERS.- At present expenditure on acquisition is not being posted in the "C" Registers. There is no reason why these estimates should not be posted in the "C" Register. The necessity for these is being pointed out repeatedly by the inspecting officers. In future at least Acquisition Estimates may be posted in the "C" Register and the progress of expenditure watched through the same. The notes of the detailed inspection of award cases is given in Part II.

'RUST PROPERTY REGISTER.-

42. This Register has not advanced although its complete posting is being urged by Government in several orders. Four volumes have been opened in manuscript books. As these are to be kept as permanent records, suitable bound books should have been used. The properties entered in the Registers, have not been serially numbered the disposals have been noted for only 13 out of the 90 blocks into which the City is divided. Excluding blocks in which practically no acquisition work was done there still remain blocks for which disposals have to be noted

Two Sub Overseers and the Revenue Accountant are stated to be deputed exclusively on this work but actually the progress achieved is very little. Owing to the absence of the Compensation Accountant, the Revenue Accountant was doing those duties in addition to his own and this has further slackened the progress of work.

Much fetish is made of the difficulty in proceeding with the work and the delay attributed to the difficulty in making out in the field the actual disposals of the land mapping them and verifying the same with dates available in the ore

in the office.

These two overseers have been doing this acquisition work for a very long time and the mapping of the disposals should not at all take much time for them because they were responsible for the demolition of the acquired property, the marking out of the roads and the disposals of sites. The overseers state that progress is retarded on account of their being put on other work. They may be relieved for some time from other work and pressure brought to bear upon them for the immediate completion of this work and early action taken to see that the work is completed without further waste of time. The small progress achieved so far is perhaps due to no one being very anxious to complete this work

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Even the registers for the period 1922-23 and 1923-24 had not been opened even though they could have opened and posted these registers without any difficulty whatever. I requested the previous Chairman to issue instructions to proceed simultaneously with the arrears work and the posting of the registers for these years and bring the same up-to-date.

The importance of the Trust Property Register cannot be exaggerated. At present the Board does not know how the properties acquired by them were disposed of I understand that recently when the registers were being posted up some encorachments were noticed and necessary action taken.

Early action may therefore be taken to insist on these registers being posted up to date In the absence of a correctly posted property register I have not been able to post the correct figures under "Assets" in the Statement showing the finances of the Trust Board accompanying this report.

STATEMENT OF AFFAIRS OF THE TRUST BOARD.

43. In this statement I have attempted to show in the form of a Balance Sheet the statement of affairs of the Trust Board. Various divergent opinions have been held with regard to the utility of Balance Sheets on commercial lines to exhibit the state of affairs of a corporation like the Trust Board. A writer on this subject states "A limited Company expends its funds with commercial profits as the primary object. A Municipality undertakes much of its expenditure for the health, recreation and convenience of the rate payers and for other non-commercial objects with no expectation of resulting income. Hence many of the outlays of a Public Authority - Such for instance as main drainage Street widening &c do not lend themselves to treatment on commercial lines at all: nor in a secondary degree do Town Halls, Police Courts, Schools, Hospitals and other buildings which apart from their special uses might not improbably be found so many white elephants in the real estate market. Commercial treatment cannot therefore be applied to Capital Outlays such as these. Revenue liabilities and assets should of course be set out. On commercial lines, stocks will be valued, doubtful Debts will be provided for, and Renewal Funds, if necessary set aside." Another writer on this subject states 'While some favour the writing down of Capital Expenditure to the extent by which provision is made for the redemption of the loan debt (This applies to cases where Capital is found by loans which is not the case with us) yet the balance of opinion is favourable to the statement of existing Capital Expenditure at cost x x x. The advantage of stating the Capital Outlay at cost is that the Balance Sheet shows at a glance the expenditure at any time on the various public works

works and purposes x x x. It should always be remembered that a corporation is not like a private concern in that the former is not likely to come into the hands of a liquidator ~~former is not likely to come into the hands of a liquidator~~ for realisation nor is a declaration of a dividend dependent upon the way the matter is dealt with'. Further it has been held that the periodical valuation of the assets of a corporation for purposes of a Balance Sheet, apart from the expense trouble involved is open to objection because (a) it would be liable to large variations and (2) the Balance Sheet would lose one of its most important characteristics as a historical record of the actual cost of the assets."

VALUATION OF ASSETS OF THE TRUST BOARD NOT POSSIBLE.

44. I have therefore not attempted to value the Capital Assets of the Trust Board as indicated from the various works executed. There is yet another difficulty in the case of the Trust Board for such valuation and that is the booked expenditure mixes up hopelessly Capital and Maintenance expenditure. The progress of expenditure incurred so far and the list of various works executed with the Capital cost thereof is shown in the annexed statement.

OBJECT OF THE STATEMENT OF FINANCES.

45. My object in the preparation of a statement of affairs of the Trust Board is merely to show what the commitments of the Trust Board are both in respect of incomplete works and undischarged liabilities. Per contra I have shown what the realisable assets of the Trust Board are and if the Trust Board does not engage in further commitments what money should be found either in the shape of Government Grant or increased resources of the Trust Board to discharge the existing commitment in a reasonable period say 20 years.

46. I must here sound one note of warning. The figures in the appended statement I must regretfully state

state may turn out to be incorrect in spite of my best efforts to make them as accurate as possible. I say this because they are all unaudited figures and have been obtained from the registers of the Trust Board which in my short experience have been found to be not very reliable. For instance I have stated that the outstanding claims against firms is 'Nil' but Messrs. The Standard Foundary & Engineering Co., are claiming about Rs.250/- on account of manholes supplied and the Board is contesting it. Similarly a sum of 2½,000 is due from the Municipality as per Government Order 4902 4/MI 12 17-63 dated 27th September 1918 directing that the entire cost of part filling in of Purniah's Nala should be borne by the Municipality but no claim has yet been made and it may be that at this distance of time the Municipality may resist it. Similarly other sums are stated to be due from other departments and it cannot be definitely stated how much of these are recoverable. I had therefore to leave these unascertained items out of accounts. The Board may however be directed to investigate each of these items and once for all determine what sums are due to them and what sums they owe. I regret I could not in the short time at my disposal go into these nor were these the legitimate duties of the Auditor with a view to explain the situation under each are included in Part II (Sec" B) short notes with respect to each item of receipt

47. From the enclosed Balance Statement it is seen that taking as liabilities, the balance of unworked estimates, and as assets all realisable assets of the Trust Board, the amount to be found for completing the schemes on hand comes up to about 46 lakhs of rupees. It has already been stated that the balance of unworked estimates does not represent the actual amount required to complete these works.

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It may also be that on a careful perusal of the incomplete works, some may be struck off. These are bound to be new schemes undertaken year by year in addition to the above for which funds have to be found. Even omitting these disburbing factors about 46 lakhs has to be found for completing the existing schemes. Against this I have tried to work out, what amount may be made available annually for expenditure on works from the Revenues of the Trust Board including Government Grant.

48. The main source of Revenue of the Trust Board for the present, is the Government Grant. There are also other items of receipts noted in the margin, but these come up only to about Rs 50,000/- per annum, that is, about a third of the Grant given by Government.

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49. The statement annexed shows the receipts under these various heads, for the last 20 years. The total receipts excluding the Government Grant during this period comes upto Rs.10,80,000/- or a rough average of Rs.50,000/- per annum, while the expenditure ranges from two to five lakhs. It is, thus seen that the Revenue other than the Government Grant, forms a very minor source of income. Unlike other big cities, where there is an Improvement Trust Board, Mysore stands by itself, in point of its finance It has no borrowing power and it gets very little from the Municipality. The only source from which, it can get help is the Government grant and if the Government for any reason curtails its grant, the work of the Trust Board is hampered. At present, the Trust Board is, in a sense, only an Agent of Government, working out a certain programme, practically with the funds placed at its disposal annually by Government Although the Government is not directly liable for the undertakings of the Trust

Board,

Board, yet eventually Government will have to meet its liabilities, and come to its rescue. The necessity to depend on Government for its existence, is inconsistent with the Statutory status conferred upon the Trust Board. If the Trust Board has to go on, year by year, executing works to which it has committed itself, according to a definite programme, it is high time that as far as possible the Trust Board be enabled to raise some funds of its own, which could make it stand on its own legs, although it might not be adequate enough to dispense with the Government grant entirely.

50. Items one to six, which are now bringing in the miscellaneous income of the Trust Board, are all of a very fluctuating character and cannot be relied upon to bring in any systematic revenue, nor are they capable of development, unless further Capital is invested.

51. As seen from the provisional balance sheet the total amount recoverable, taking into account, all dues on account of sites, Model houses, bits of land, etc and also the sites formed and not yet sold, would only amount to three lakhs and odd and this would mean that at the present rate of recoveries at the end of six years, the Board would have exhausted all its resources in this direction. Such a state of affairs could not be permitted. In other large cities, where there is a Trust Board constituted for the beautification and Sanitary improvements of the City certain definite sources of revenue have been ear-marked by legislation for purposes of the Trust Board For instance, in the City of Bombay. Under Section 72, of the Bombay Improvement Act, the Commissioner of the Municipality pays to the Trust Board, double the amount of the ac net amount realised by the Corporation during the preceding year under the head, "General Ta "

The Board has also got borrowing powers and all vacant lands have been leased to the Board.

52. The Rangoon Act provides for a levy of Stamp Duty on all transfers of immoveable properties within the city. Presumably the values of immoveable properties, in the city have been enhanced by the operations of the Trust Board and the levy of the additional stamp duty is only the small unearned increment paid to the Trust Board. Even the Bangalore Civil and Military Station Municipality levies a "Surcharge Stamp Fee, on all documents pertaining to the Transfer of immoveable property in the Civil and Military Station. In certain other cities a terminal tax has also been levied. The following proposals are therefore made, with a view to improve the finances of the Trust Board.

53. The Trust Board has itself got several productive schemes, which are now yielding practically nothing. to the Board although a lot of Capital has been invested on the same. The Deveraj market which is now bringing in, an annual revenue of over Rs.25,000. has been improved at great cost to the Trust Board and no part of the increased Revenue derived from the Devaraj Mr market is being credited to the Trust Board. From the accounts placed before me, it is seen that prior to 1912, before the present improvement works were undertaken by the Trust Board, the market was bringing in a revenue of only Rs.12,000/-. Since that date, a sum of Rs.81,000/- has been spent by the Trust Board and ~~by~~ $38000 by the Municipality This investment has augmented the revenues by over Rs.13,000/- and it is therefore fair that the Municipality should pay the Trust Board, the proportionate increase in revenue derived from the operations of the Trust Board, this would mean that the Board would get about Rs 2,000/- per annum.

VII

SEWAGE FARM.

54. The next important productive work under taken by the Trust Board is the laying out of the Sewage Farm. The Sewage Farm has been acquired and constructed at very great cost (Rs.127989) of the Trust Board. For laying out the Sewage Farm 198 Acres and 36 Guntas of land have been acquired at the expense of the Board. Of this 20 to 25 acres are already under Garden Cultivation. Several additional blocks have been laid out into betel leaves gardens and the rest are being laid out. This remunerative work has been handed over to the Municipality, who in turn have recently made it over to the Garden Department of Government and they it appears are spending all the receipts of the Farm, for improving the same, so that neither the Board nor the Municipality are really deriving any benefit out of this nor are they being consulted about the utilisation of the realisations of the farms on further improvements. There is no doubt that the sewage farm is a very lucrative concern and the Board should not hand over the same to any other agency for working, when it has got a costly establishment of its own that could look after the farm.

VIII

55. If the Trust Board takes over the management of the Sewage Farm and puts it under qualified hands, the Farm would be yielding a very handsome revenue to the Trust Board Immediate action may therefore be taken to take over the management of the Sewage Farm and work it under the Trust Board, with the aid and expert advice of the Gardens Department.

56. Again another source of Revenue, that has not yet been tapped, is the levy of a cess on drainage connections This cess, Government is urging the Municipality to levy, for the last 6 or 7 years and the Municipality is postponing it The drainage connections in the city have been financed by the Board and not by the Municipality.

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Even the maintenance charges are being paid for by the Board by debit to various works although the payments are being made by the Health Officer. The Municipality therefore loose nothing in postponing the levy of the Sanitary Cess. Prompt action should therefore be taken by the Trust Board, in consultation with Government to levy the Cess and utilize the proceeds for the maintenance of the pipe lines and thus reimburse themselves. The proposal is to levy a Cess at Re.1/- for each connection and at this rate the cess is expected to yield about Rs.8,000/-. I think in Bangalore they have got the system of levying this special Sanitary Cess on a sliding scale. The matter may be investigated. In any case, a sum of Rs.8,000/- is the minimum that could be realised on this score. Early action may therefore be taken for the levy of this Cess.

CONTRIBUTION FROM THE MUNICIPALITY.

57. The next item of revenue proposed is the levy of a contribution from the Municipality. Large sums of money amounting to several lakhs have been spent in the Municipal area with the object of improving the Sanitation and beautifying this capital city. It is because the work was of such enormous magnitude and the Municipality could neither afford it nor have the facilities to undertake it in addition to its own duties that the Trust Board was created. Otherwise these entire charges should have been financed by the Municipality only. It therefore stands to reason that the Municipality which benefits most by the operations of the Trust Board should give material aid to the Trust Board, which has relieved it of a lot of expenditure, which, it should have incurred otherwise.

58. The receipts of the Municipality on account of General Tax (Tax on lands & Buildings) comes upto 30000/- and if as in Bombay, the Municipality is ordered to pay twice

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the receipts on this account to the Trust Board, the Trust Board would get Rs 7600/-----
if this sum be considered too heavy for the present for the Municipality to pay on account of its crippled finances an arbitrary contribution may be fixed to be paid by the Municipality, for a period of two years and thenceforward the Municipality requested to pay the sum fixed as above.

RENT FOR THE MUNICIPAL OFFICE BUILDING.

59. Again the Municipality is housed in the palatial New Municipal Office Buildings built in the centremost portion of the City, overlooking the Fort and the Palace and within easy reach of all important points in the City. Two-thirds of the cost of this building is to be met by the Trust Board and 1/3 by the Municipality while the Municipal Office, is expected to take up over 2/3rds of the floor area of this magnificient building for its own offices. It stands to reason therefore that the Municipality should pay something in the shape of rent to the Trust Board for the use of this building and for purposes of calculation 6% on the Capital sum invested on the building for the portion used by the Municipality, deducting the contribution paid by them appears to be a fair levy and at this rate a rent of Rs.6,000/- per annum may perhaps be recovered from the Municipality.

LEVY OF A SURCHARGE STAMP FEE.

60. Just as in Rangoon and in the Civil and Military Station a small surcharge stamp fee of 2½% may be levied on all transfers of immoveable properties in the city of Mysore. This would be taxing only the unearned increment which the owners of immoveable property have derived from the operations of the Trust Board. Mr. Phillip Snowden, late Labour Chancellor of the Exchequer speaking about 'Local Finance' states "Recently innumerable cases have happened where local authorities have been asked to pay for land

for

for housing purposes ten times the value at which the site was assessed for rating purposes. Powers ought to be conferred upon the local authority to appropriate the whole of the increment of value which has arisen from social causes. The same applies to Mysore also with this difference that the increment is in our case due to the indefatigable activities of the Trust Board A small levy of 2½% therefore cannot be considered as an additional impost especially when the realisations are to be used for the improvement of Sanitation and Beautifying of the city only. In order not to penalise poor people the charge may be levied only in cases where the value of the properties exceed Rs.1,000/- (In the Civil and Military Station this limit is 5,000). This would bring in a revenue of perhaps 10,000/- as at present a sum of roughly Rs.8,000/- is being received as registration fees on transfer of all immoveable properties in the City.

ERMINAL TAX. (b) "As Mysore has become a place of resort to quite a large number of visitors and the floating population during the Dasara and Birthday weeks which is expected some time to go up to 60,000/- and more it is perhaps desirable to augment the resources of the Board by the levy of a small Terminal Tax on all passengers leaving Mysore for places beyond 20 miles. The justification for the tax, if any is needed, is that Mysore is the beautiful place that it is because the Trust Board has made it so. The levy of the tax on passengers leaving Mysore is suggested as this could be collected more easily by the Station Authorities at Mysore only and could be easily made over to the Trust Board, the Railway Authorities taking a small commission of 5% if necessary to cover incidental expenses. A levy of an anna passenger would perhaps bring in a Revenue of nearly 35,000 rupees.

62. Thus if my proposals are approved the Trust Board could get a permanent Revenue of between 75,000 to a lakh of rupees and this with the State Grant of a lakh and fifty thousand or even a lakh of rupees would enable it to carry on its work without any undue distrubances or vicissitudes of fortune consequent on the prosperity or otherwise of the annual State Budgets.

63. It is seen from the Balance Sheet that with the Revenues proposed above the Trust Board would have about 2,75,000 to spend on works annually after providing for the necessary establishment assuming that the State Grant will be fixed at about 1,50,000. But in the above calculations it is assumed that about 50,000 will come in annually by sale of lands, rents on Trust property, recovery of loan instalments etc. But unless some money is set apart in the annual Budget of the Board for issue of loans to the dispossessed house owners and for those non-officials that build houses, and more model houses are constructed for lease or sale, this revenue would be extinguished in five years. Government have been observing quite often that the problem of housing the poor has not been solved and providing houses for the dispossessed not keeping pace with acquisitions This would mean that the Trust Board would be aiding overcrowding one of the main evils which the Trust Board exists to prevent. Mysore is also developing commercially and it is high time that the Board take up the problem of housing the poor seriously. If part of its moneys are spent on construction of houses or loans to individuals or factories and such other commercial concerns an assur annual Revenue would result and the more important problem of housing also solved

64. Speaking about the future budgets of the Trust Board I would like to emphasise the need for sticking to the sanctioned Budget Programme I have dealt with this subject in detail in para 29 (Section B) Register of appropriations). One of the main difficulties complained for doing the above is that Mysore being the Capital of the City and a place which high personages and Royalties frequently visit urgent works for improving the loveliness of the City have to be undertaken at short notice. Hurried execution of works are always attended with grave disadvantages and loss to the taxpayer. Sir M. Visveraya whose experience of the Public Works department is unapproachable in his report on Retrenchment and reform states "several cases have come to notice in which the usual administrative and financial procedure has been ignored. This state of things is unsafe. The freedom and haste with which lakhs and crores are handled all doubtless with the best of intentions deprive the corporation of the necessary safe guards against waste and extravagance."
If execution of works not included in the normal programme without sanctions and estimate is inevitable in Mysore City it may be as well to face the facts and provide an annual sum of about 15,000 or 20,000 for such emergent works so that the normal programme of the Board may not be upset by such extraordinary factors. This procedure was being followed before and it is not clear why this was given up. This may be given another trial and strict adherence to the Budget programme insisted upon. Otherwise no amount of financial forecasts would be of any use at all, and the money and time spent would be wasted.

65. The office of the Chairman, City Improvement Trust Board as at present constituted consists of two units. The Chairman's Office and the Executive Engineers both being located in the same building viz. the New Municipal Office Building.

66. In actual practice there is no distinct line drawn between the Executive Engineer's Office and the Chairman's Office, no such distinction being adopted while registering letters received by the two officers, and in their disposal.

67. The Chief Officer of the Municipality is also ex-officio, Acquisition Officer of the Trust Board.

68. This office can normally be divided into three different sections classifying the work as under - General, Engineering, and Acquisition including Revenue, all the component sections being part of one and the same office.

69. The two sections Engineering and Acquisition including Revenue as suggested by the present Chairman may conveniently be under the immediate charge of the two Gazetted Officers viz the Engineer and the Acquisition Officer respectively Such a procedure would relieve the Chairman of a good deal of original work and give him the necessary leisure to tackle and solve the large problems peculiar to the Trust Board. The general and correspondence sections may continue to be under the direct charge of the Chairman All letter and petitions may be directed to be ddressed to the Chairman only who in turn will refer it to the necessar sections for disposal. This would ensure the Chairman being kept informed of the State of affairs in the different sections of his office.

70. Under the assumption that the three sect proposed will all from parts ~~and~~ or one and the same o

if is proposed to have a common cashier, common correspondence clerks, typist and Record-Keeper for all the three sections. All payments will as heretofore be made only under the signature of the Chairman.

71. As there was a feeling among the Trustees of the Board that the establishment charges were unduly heavy the Board informally appointed a Committee of the marginally noted gentlemen whose report has been by the courtesy of the Board sent to me for perusal and remarks. A copy of their report is enclosed.

Messrs.
1. Mahomed Sait,
2. T.S.Alikhan
3. K. Dhanakotichetty.

I therefore take this opportunity of submitting my own views with regard to the minimum establish ment necessary for the Board Offices as required in Government Order No. L.2487/M1. dated 12th July 1924.

Statement A attached to this note gives the cost of establishment of the Trust Board ever since its inception and the cost of works executed by the Board giving also the per centage cost of establishment to works.

Statement B gives the number of hands in the office of Chairman and the Executive Engineer of the Trust Board ever since its inception.

Statement C. is a proposition statement showing the present and proposed establishment of the Trust Board. The distribution of the present establishment among the three different sections proposed is also noted. It will be seen from the statement that the cost of establishment as reduced will be Rs. ~~23-15-3~~ 23753 thus resulting in a Savings of Rs.4,300 per annum.

Statement C

Statement D gives the present distribution of work in the Trust Board.

72. The recommendations of the Special Committee with

with regard to retrenchments in the clerical staff are the abolition of the following posts for the reasons noted against each.

	Post proposed by the Committee to be retrenched.	Reasons alleged.
1.	Manager and Chief Accountant	From 1908-12 there was no Manager's post at all. This post was created only for fixing the relative rank of two accountants. When there is a Head Accountant, there is no necessity for a Chief Accountant. The Head Accountant is the Manager of P.W.D. Divisional Office it may be so here also.
2	Revenue Accountant.	The appointment has no way proved beneficial but has only made the Head Accountant and Loan Accountant shirk their work.
3.	Mutsaddy	Not necessary. The aim ought to be to get maximum work with minimum establishment.
4.	Loan Clerk.	

XVIII

73. I quite agree with the Trustees that the office appears to be overmanned and that a reductions in the staff is quite possible It so happens also that the number of appointments proposed to be reduced by me is pretty nearly the same as what the Committee has proposed but with regard to the particular posts that could be abolished their proposals would perhaps require revision The proposals of the Committee are dealt with seriatim.

74. The Manager and Chief Accountant - The Committee propose for the reasons stated above the abolition of the post of the Manager of the Chairman's Office. But this post is quite essential as it is he that performs and that should perform the functions of a Public Works Divisional Accountant with regard to the scrutiny of expenditure in the Chairman's Office. Apparently the Committee are perplexed at their bein a Manager-Chief Accountant and a Head Accountant for one and the same office and they therefore propose

that one of these posts - the Chief Accountant's - may be abolished. There is probably a certain amount of misconception in this. There is certainty no necessity for two Accountants, the Chief and Head Accountant for the Chairman's Office. But the Head Accountant is a misnomer The real designation for the Chief ministerial head of the Engineer's Section is Head Clerk and such a post exists in every divisional office in addition to that of the Divisional Accountant. The post of the Manager-Chief Accountant who corresponds to the Divisional Accountant cannot therefore be abolished. The Manager's post is not only quite necessary but it is also equally necessary to get a very well qualified man for the post by making it attractive enough for good and competent Accountants to hold. The confusion in accounts and the general condition of affairs disclosed in my report, is I think in a large measure due to the inefficiency and ignorance of Public Works Accounts of the previous Managers of this Office. A good Manager is an asset to any office and it is false economy to dispense with him. In order that the Manager may have also a certain amount of independence in pointing out irregularities both as regards sanctions and as regards expenditure it is proposed that the Manager should be an Accountant of the Comptroller' Office who has passed the necessary examinations lent for a certain specified period. To recompense him for the additional responsibilities of this office and to attract really capable Accountants a small allowance of Rs.25/- a month has been suggested to be given to him.

75. Revenue Accountant.- With regard to t retrenchment of this post I am afraid it is not possible or advisable to dispense with the post of

an Accountant for watching over the Revenues of the Trust Board. At present the Revenue Registers of the Board are not at all up to date. A good watch over the Revenues of the Board by a capable and zealous official would yield a handsome return in the shape of increased revenues to the Board. Again when proposals are under consideration for improving the Revenues of the Trust Board it is certainly out of question to consider the abolition of Revenue Accountant. The Revenue Accountant has therefore to be retained.

76. Mutsaddy and Loan Clerk.- I agree with the proposals for abolition of the post of Mutsaddy. But with regard to the abolition of the post of Loan clerk the Committee are probably not aware of the number of ledger accounts to be maintained. Between the Loan clerk and the ledger keeper there are at present 160 loan cases, 20 cases of recoveries on account of Model houses and 266 cases of recoveries on account of sites and bits of land. Even on the assumption that one accountant can keep 400 accounts there is work for more than one man If the system of giving house building loans is resumed the work in this section will increase. The post of Loan Clerk cannot therefore be dispensed with. One word of explanation is perhaps necessary with regard to the posts proposed to be retrenched by me. According to the distribution statement of work it is seen that 4 men are engaged on correspondence and petition work. The average number of letters and petitions received and disposed of during the last three years is as noted in the margin and it is obvious that four are too many for this work Two hands can easily can be retrenched and this is proposed to be done There is also no necessity for a Head Clerk for the Chairman's Office

present the registers have been overhauled

	Papers Recd	Papers despatched
122	3189	1383
123	3211	1867
24	2290	1965

in addition to the Manager and this post may be re-trenched. The abolition of the post of Muttseddy has also been accepted and this makes four hands retrenched. But there is no provision in the Scheduled establishment for a Typist and as the necessity for a Typist's post is obvious, the post of a Typist has to be and has been provided for. So against 4 places retrenched one new post has been added viz., that of the Typist and the actual reduction is therefore on three. The fitting in of the existing men into the proposed scale is merely a matter of detail and I do not propose to enter into this. But the present Head Accountant who is a smart official has put in 18 years service in the Trust Board and is drawing Rs.73 in grade 55-4-77. He would get 77 from 1st January next and as there is no such scale provided for in the enclosed proposals he may bither be given a personal allowance or a post provided for him in the Municipality or in any Government Office. The Committee themselves have suggested that the officials retrenched should either be provided for in Government|in the Municipality in order that they may not be left adrift and I there-fore fore offer no further remarks.

77. Drawing Section.- The Committee has proposed the abolition in this Section of the Assistant Draftsman. As the aesthetic improvement of the City of Mysore is one of the main concerns of the Board, several applica-tions for license for new buildings and extensions of present buildings are being scrutinised by this office before licenses are given and often necessary correc-tions in the plans and in some cases new plans themselves are prepared in this office. This throws additional work on the Drawing Branch of this office as compared to a Public Works Division. The Drawing Branch of the Trust Board also furnishes plans and tracings

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for the Municipality. Again as the Board is very particular about the construction of Big buildings beautifying the City all help is being afforded by the Board Staff to private agencies undertaking such large constructions. For instance in the case of the Shankara Mutt and Theatre Majestic the drawing branch had I understand a good deal to do with the planning and designing. Further unlike the P.W.D. in this office all drawings of estimates sent to Government are to be prepared in duplicate and this also throws additional work on the drawing branch. The Block plans of the Mysore City and the new map of Mysore on an enlarged scale are being prepared in this office. I do not therefore think we can reduce the strength in the drawing section, under the existing circumstances. If however expenditure is to be reduced one of two alternatives only is open either the Trust Board should not undertake to do the work of others including the Municipality when the post of Assistant Draftsman can be retrenched or the Board may supplement their income and reimburse themselves by levying a suitable fee on all application for lincenses for Private draw The question of taking an annual contribution from the Municipality on this account may also perhaps be considered.

XVII(a)

78. Outdoor Establishment.- There are at present seven Sub-Overseers provided for in the scheduled establishment and I agree with the Committee that in view of the reduced grants for works there is no necessity for seven subordinates I should think 5 subordinates are quite enough one of whom may be used normally on acquisition side work when there is pressure on the acquisition some help may be given to the acquisition overseer by posting another suboverseer from the outdoor establishment and vice versa.

The proposal made by the Committee of putting one overseer in lieu of a Sheikdar on disposal of lands and realisation of dues does not commend itself to me This is legitimately the work of a Revenue Sheikdar. Moreover a Sheikdar is far cheaper than a Sub Overseer and if the Trust Board instead of engaging a Sheikdar themselves take a Sheikdar on loan from the Revenue Department for a period of three years, I think it would ensure fresh blood and prompter collection.

XVIII

79. Gazetted Staff.- With regard to the Gazetted staff the Committee propose the substitution of an Assistant Engineer for the Executive Engineer. There is considerable force in the arguments of the Committee that the services of a highly paid executive Engineer are not necessary when there are really no large works in execution. While agreeing with them in this view I would like however to point out to the Committee that as is seen from the enclosed Statement the present percentage cost of establishment to works viz., 15% is by no means high. The per centage obtaining in the Public Works Department generally varies from 25 to 47% except in the Water supply and special Divisions where it is somewhat less. The percentage cost in the Madras and Bombay Presidencies are far higher, their salaries being far higher than those obtaining here. But if it is considered that with the reduced State Grant and consequent reduction of outlay on works an Executive Engineer is too costly the Trust Board may employ only an Assistant Engineer in the place of an Executive Engineer But if this be done it is perhaps desirable to provide for some Departmental Supervision over the work of an Assistant Engineer when the Chairman is not himself a Technical Officer as it is impossible that the Chief Engineer could in the midst of his various duties as

exercise such a supervision. The proposal of the Committee to have an Executive Engineer amongst the Trustees may be tried and the Special Division Executive Engineer who is in-charge of all works in the City may be given a place in the Board and requested to furnish the necessary expert assistance to the Board. He may also be required to countersign all work bills and to check measure all final bills. If this suggestion is approved further details may be worked out. He may perhaps be granted also a suitable allowance by the Trust Board on this account.

80. Inferior Establishment.- There are now two collection Mutsaddies and one notice server. The Sheikdar with the help of his collection peons should do all the collection work and should also serve all notices. This is what the Sheikdar is meant for and I do not therefore see why there should be separate collection Mutsaddies and a Notice server. These may therefore be dispensed with the Sheikdar being held responsible for all collection work To help him in collection work, he may be given the assistance of two literate peons The pay proposed by me for these peons is 15-½-18. I have purposely not provided a better scale as otherwise there may be the temptation to use these for office work.

81. Menials.- The Committee propose a reduction of two peons out of the 12 in the office Accordingly to the distribution of peons proposed in Government Order No.1629-92/G.M.42-22-1 dated 11th September 1922, 11 peons are the minumum necessary for the office as under -

	Office.	Residence.
Chairman	1	2
Executive Engineer	1	2
Acquisition Officer	1	1
3 Sections	3	
Total	6	5 11 in

N.B.-If an Assistant Engineer is employed as proposed there would be a reduction of one Home Ord rly

I have accordingly provided for 11 peons only. The Chairman and the Acquisition Officer are also President and Chief Officer respectively of the Municipality and if retrenchment in menials is absolutely necessary they may be requested to spare one peon as long as they exercise these joint functions.

82. General.- In concluding I would like to mention that there is one important departure in my proposals as compared to that of the Committee and that is in my having proposed an incremental scale and a better scale of pay than the one obtaining now. Efficiency to a certain extent goes with pay and I am afraid that for the present scale of pay the Board could get very poor stuff indeed. I regret my proposals are not as liberal as I should like but considering the financial position of the Board I have contented myself only with a modest scale. The rates of pay proposed are 25-1-30, 30-3-45, and 50-4-70, the number of appointments in the different grades being pretty equally divided. This means that an official entering the office on Rs.25/- could expect to get in about 18 to 20 years Rs.70/-. I have proposed that the Manager's post which carries a higher pay Rs.70-5-100 plus 25 per month be reserved for an Accountant of the Comptroller's Office. But if there be a suitable candidate in the Board Office who has passed the requisite examinations and who possesses the necessary qualifications there is no reason why he should not be given the Manager's post. It might be treated as a prize appointment. I hope the revised rates of pay would attract better people to the service of the Board and would offer an incentive for the existing staff to turn out better work. In this connection I would like to add that

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it seems desirable that promotion to the higher grades Rs.30-3-45 and 50-4-70 should be made contingent upon the officials passing the 'Accounts lower' and the Accounts Higher examinations respectively. A fair knowledge of the City Improvement and Land Acquisition Regulation may also be insisted upon and if necessary an office examination held annually for this purpose. There is a feeling among the officials of the Trust Board that their services are not pensionable. As far as I can see there is no chance of the Trust Board being dissolved for at least 40 years to come as the completion of their present programme with their available resources would itself take up about that period. It is perhaps desirable to make their appointments carry all the benefits of the Mysore Service Regulations as it would afford better incentive for work and would attract a better class of recruits.

83. Non Schedule establishment.- I have thus far dealt with the scheduled staff of the Trust Board. With regard to the non-schedule establishment I have provided for the Revenue Accountant and the Record Keeper in the scheduled establishment only and I have stated that a separate notice server is un-necessary and may be dispensed with. For writing up the Trust property registers it will be necessary for some time to give some additional help to the Compensation Accountant. A temporary hand on Rs.25/- or 30 may be employed for this purpose. No remarks are called for about the temporary Account establishment sanctioned for clearing arrears work as their work ought to be over in the prescribed period.

84. Temporary establishment charged to works.- There is at present some temporary establishment maintained and charged to works, the onthly cost being

being about Rs.340/-. I have indicated in my work notes that no such expenditure should be charged to works unless -

1. The men are actually employed on the work to which their pay is charged;

2. necessary provision is made in the work estimates under proper sanction.

Neither of these conditions are fulfilled at present. Early action should be taken to regularise the charging of temporary establishment to works after careful scrutiny of the necessity for the establishment for each particular work. The pay of the pipe line staff employed on cleaning the pipes etc. is at present being debited to the different estimates although there is no provision. I have elsewhere proposed the levy of a cess on house connections. If this be done the pipe line staff may perhaps be made permanent and borne on the Schedule establishment only.

85. The question of a special staff for closing the existing estimates after careful survey of the work already done and for preparing fresh estimates for the balance of the works to be executed has not been discussed in the above note. This question should be taken up separately the necessary Engineering staff being provided for, in consultation with the Chief Engineer.

O , T U T G TION.

86. The objects with which the City improvement Trust Board was formed under a Special Regulation - the Trust Board Regulation - has already been explained in para 6 . Regulation prescribes generally the duties of the Chairman and the Board but no detail Rules have been framed under the Regulation to clearly delineate the respective powers and duties of the Chairman and the Board. In practice the Chairman has appropriated to himself large powers a the Trustees are not perhaps exercising, all the po

the Regulation intended to confer on them. Although, it has been suggested quite often, that the Regulation requires, suitable amendments and cannot be worked as it stands, No action has been taken in this behalf. At present the Board is exercising practically no control over the acquisition of properties and the awards passed by the Chairman. It is he, who disposes of all the materials of dismantled houses without reference to the Board. The Board's power of selling or leasing properties is exercised, only when the value thereof, is more than Rs.1,000/- and in practice as most cases fall below this value, the Chairman acts quite independently of the Board. Although Section 10, requires that every such act should be reported to the Board, in the next meeting thereof, some are not being so reported.

Again, the Chairman undertaken expenditure on unsanctioned works, even without the approval of the Board. Whatever and however strong the reasons may be of the Chairman acting in this manner, yet this is irregular as the Chairman has no such powers under the Regulation. Such powers could only be exercised by the Board and that only under Section 32 of the Regulations. No control is being exercised by the Board over the expenditure of its own funds. The monthly accounts are not placed before the Board. Some times the first official information to the Trustees, of expenditure incurred by the Board is, when the annual administration report is presented. Neither the Board nor the Chairman have any powers to sanction any expenditure on original works, however small the amount may be, unless such works are emergent and come under Section 32.

Again, neither the Chairman nor the Board have any powers to sanction excesses over estimates.

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XXVI

Even an ordinary President of a Municipal Council can sanction such excesses and it is not clear why in the case of this body only, the Government will have to be troubled for such sanctions however small the amounts involved may be A number of Audit Objections would cease, if only some small powers in these directions, were delegated to the Board and to the Chairman.

87. Proposals have therefore been submitted herein for giving additional powers both to the Chairman and to the Board in certain matters.

Powers.	The Chairman may sanction.	The Board to sanction.
(a) Works.-		
1. To sanction emergent, original, supplementary and Revised estimates provided funds are available by reappropriation or otherwise to the extent of	1,000	5,000
2. To sanction excesses upto 5% over estimates not exceeding.	1,000	5,000
(b) Writes-off.		
3. Chairman to write off amounts upto	5	50
4. do. losses of Tools & Plants.	50	200
(c) Contracts.-		
5. All contracts or agreement below	500	10,000
6. All sales, leases, etc of moveable or immoveable properties valued below.	100	10,000
NB In the case of all powers exercised by the Chairman, he should place the same before the Board at the next meeting for information.		
(d) Aaquisition.-		
7. Only properties notified for acquisition or those to be acquired owing to alteration of sanctioned Schemes by the Board can be acquired by mutual agreement by the Chairman his powers being restricted to Rs.1,000/- even in this case. These have to be reported to the Board at their next meeting.		All other awards to be ratified by the Board.

The revision of the Sections relating to "Market Value" in the case of properties notified for acquisition has already been discussed in para 36 and [illegible]

The Chairman may be empoewred to perform the function of a Deputy Commissioner with respect to arrears recoverable as arrears of Land Revenue At present his powers are restricted under Section 45 only to the distraint and sale of moveables. This may be extended also to immoveable property situated in the City and mortgaged to the Board. In the case of properties outside the City Area the present procedure may apply.

88. If the proposals are approved, necessary amendments to the Regulation have to be put up and subsidiary rules framed under Section 38 of the Regulation.

The powers proposed to be given to the Chairman are either the same or a little in excess of those enjoyed by Commissioners of Municipalities. The Chairman being always not below the rank of a Deputy Commissioner he could safely be given the powers exercised by officers of a similar status working in other spheres. The question only arises in cases where the Board refuses to ratify acts done by the Chairman, but such cases ought to be rare.

Audit Committee , the Trustees are now having no opportunity of seeing how the resolutions passed by them and policies laid down are being executed. They have also no opportunity of looking into the accounts of the Trust Board and thus keep in touch with the progress of expenditure.

89. It is, I believe, an established principle that Bodies, like for instance the Legislative Council that vote supplies to the executive should have their own committees to examine how far their mandates have been carried out by the executive The Legislative Council has its Public Accounts Committee which is authorised to look into the accounts of the year, for

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which the council voted grants. The Committee is also authorised to obtain necessary explanations for disbursements from the officers concerned.

90. In Municipalities also provision has been made for Audit Committees being formed and these Audit Committees are expected to serve the above purpose and pass the monthly accounts. A similar procedure may be adopted in the Trust Board and an Audit Committee consisting of three Trustees formed. The functions of the Audit Committee will have to be defined.

91. The following duties may perhaps be assigned to the Audit Committee:-

1. All new schemes and estimates proposed may be placed before them for opinion, prior to sanction by the Board.

2. All revised estimates and supplementary estimates may be placed before this body before passing by the Board.

3. All excesses over estimates may be reported upon by this body, before approval by the Board.

4. All cases of writes off, may be scrutinised by this body before sanction by the Board.

5. All sales, leases, etc, of moveables or immoveable properties, may be reported upon by this body, before sanction by the Board.

6. The monthly accounts of the Board may be placed before this Committee, before submission to the Comptroller. The monthly audit reports should also be placed before this Committee for approval of the replies.

92. There is at present no detailed monthly audit of the accounts of the Trust Board For all Accounts purposes the Trust Board is treated as a Public Works Division and the accounts are being audited

in the Comptroller's Office like those of any other Division. There is the annual Test Inspection by the Assistant Comptroller in charge of Public Works inspections who test audits one month's accounts. Such an audit appears to me to be unsuitable to a body like the Trust Board. A fea~~ble~~ ~~sible~~ and detailed Audit of the Board's Accounts is very necessary in the interests of the Board as the various other checks which tend to minimise irregularities keep expenditure according to grant and maintain correct accounts do not and cannot exist in the Trust Board. Further The audit of sanctions plays a more important part here than in the Divisions. The audit of the initial records and scrutiny over the compilations by an independent agency ~~appears~~ is henceforth necessary. I would therefore suggest the employment of a whole time Auditor between the Trust Board and the Municipality, the Auditor being under the control of the Comptroller.

93. Just as in British India the Auditor may be given the powers to surcharge the person responsible for incurring expenditure contrary to Law or for deficiency or loss incurred by the negligence or misconduct of that person. The reasons for this decision should be insisted upon being recorded in writing. Perhaps in the first instance these powers may be given only to the Comptroller as Chief Auditor. Provision may also be made for appeals by the aggrieved parties to Government or to a Civil Court Detailed rules of procedure, fixing the time for period of appeal, the mode of recovery of the amount surcharged etc, may also be framed.

94. The audit should be concurrent and not absolutely belated as at present. The monthly audit report should be placed before the Audit Committee

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who will pass the replies which should be sent to Comptroller. A half yearly statement of important objections and replies thereto may be sent to Government.

95. In fact the Audit Committee should be a sort of Managing Committee of the Trust Board without whose knowledge and approval nothing really important should take place.

96. With the functions of the Chairman the Audit Committee, and the Board clearly specified the other point referred to me, viz , the fixing the responsibility in the case of acts done by or on behalf of the Trust Board is automatically solved. As the Chairman by himself can do nothing and all acts done by him are ratified by the Board, except where they fall below a small money limit, when it may be presumed that he does it on behalf of the Board, it may be assumed that the responsibility for all acts done by the Board or on behalf of the Board by the Chairman rests with the Board itself. The Board is a corporate body, with a perpetual succession and a Common Seal and can sue or be sued as such. In cases where such acts are done by the Chairman, without proper authority, ~~it follows that~~ he and not the Board is responsible for such acts and ~~that~~ although the damages may have to be paid by the Board who as Principal would be responsible for the acts of the Agent ~~yet~~ the Board could recover the said damages from the ~~President~~ Chairman For illegal or irregular expenditure there is the Comptroller to surcharge and so cases if any at all of misapplication of fund or unsanctioned expenditure would be at a minimum.

The Board would be able to be sued in the first instance in all cases whether acts done are by the Chairman his own motion or under proper authority

97. I might also refer perhaps in this connection to the proposal made by me in para 36 regarding amending the regulation with regard to the definition of market value and to the grant of right to owners of property to give notice either for withdrawal of acquisition proceedings or immediate acquisition in certain cases.

There is at present some ambiguity in Section 46 regarding suits. The matter may perhaps be made clear by a suitable revision.

98. To sum up the proposals regarding the revision of the regulation are·

(a) Defining the power of the Chairman and of the Trust Board.

(b) Constituting an Audit Committee with certain defined functions and powers

(c) The provision for appointment of a full time Auditor with powers to the Comptroller to Surcharge illegal or irregular expenditure

(d) Amendment regarding definition of market market value and rights to private owners to compel withdrawal ~~for~~ from acquisition or immediate acquisition in certain cases.

99. It was also suggested that I should propose changes in the constitution of the Trust Board making it more representative.

In para 6 of my report, I have given the present constitution of the Trust Board As can be seen from the same, the constitution does not provide for any representation of any special interests, except when Government are pleased to take the same into consideration, while filling the places reserved for nomination. There is a feeling that the constitution of the Trust Board may be enlarged, the number of members increased and the Committee made more representative Although this is in keeping with the awakening consciousness of the Civic rights of the people, yet, Mysore City has not got any recognised associations which could depute members for a Board

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The Bombay Act provides for elections of members

(1) by the Bombay Chamber of Commerce

(1) by the Trustees of the Port Trust of Bombay and by the Mill owners Association.

100. We may perhaps enlarge our Trust Board also and increase the number of members to 15 including the Chairman. The seats may be allotted perhaps as under -

Four ex-officio, viz , the Chairman, Vice President of the Municipality (where there is a non-official president, the Chief Officer may be substituted for the Vice-President); the Health Officer of the Municipality and the Executive Engineer, Special Division. (The reasons for putting in the Executive Engineer are detailed in para 79 relating to Establishment. Three elected by the Municipality as at present. Two elected from recognised associations viz., from the Merchants' Association, which I understand is being formed and one by the Law Association. Four ~~Three~~ may be nominated by Government to represent Special Interests. It may be ruled that except the Chairman, none of the ex-officio officers be eligible for appointment of the Audit Committee.

will be the Chairman of Audit Committee under Section 9 3(b) City Improvement Regn

CONCLUSION.

An attempt has been made in the above paragraphs to tackle only the large problems financial and otherwise relating to the Trust Board. Details regarding the registers, forms and audit irregularities are to be found in Section B and Part II.

Before concluding I would like to express my gratitude to Messrs. Mylar Rao and N Madhava Rao, the Chairmen of the Trust Board and to Mr. M A. Srinivasachar Executive Engineer, for their kind co-operation and unstinted and free talks with me regarding the desirability of the proposals formulated above.

I would also like to bring to the notice of Government the very good work done by my Superintendent Mr. S. Govinda Rao during the period he was associated

The staff of the Trust Board were quite helpful to me and in particular the typist who often had to work long hours to type the Memos I drew up after the audit of each work was over. I take this opportunity to suggest to the Trust Board the grant of a small allowance to the typist for having worked under me in addition to her own duties.

It is usual to conclude such reports with a brief summary of the recommendations but as I have given such a summary in the covering letter addressed to Government, I have dispensed with it here in order to reduce the length of this already overlong report.

B. Nagendra Rao

Special Auditor

Bangalore
3.12.26